

As a mortgage broker, our job is to obtain financing for your home and to perform all of the detailed work necessary to help you purchase or refinance your home.

Our goal is to see that you are informed and educated during the entire mortgage process as well as simplifying the financing of one of the largest investments of your lifetime.

Similar to solid and well-run companies and organizations, the Michigan Mortgage Brokers Association (MMBA) has a mission statement to help all members and consumers to understand the purpose and direction of the organization.

The purpose of the Michigan Mortgage Brokers Association is to assist mortgage brokers in maintaining their position as the pre-eminent source of mortgage lending services to all Michigan residents, and to promote fairness, integrity and professionalism in mortgage lending.

About the Mortgage Process

The mortgage process involves many steps. The following represents some of the procedures required as your lender prepares your file for approval. You should feel free to ask questions from your lender at any time.

Application – Complete an application itemizing debts, assets and other important information.

Disclosure – The Broker will provide certain required disclosures including an estimate.

Verification – Information provided on the mortgage application will be verified and your credit history reviewed.

Appraisal – An independent detailed review of the value of your home and its characteristics.

Closing – The final signing of all documents, and the transfer of ownership and/or funds.

The Most Commonly Asked Questions and Answers:

- Q. Why choose a mortgage broker?**

A. Brokers can provide the consumer with choice, convenience and expertise, and act as a professional guide through the complex mortgage lending process. The broker also offers a more extensive choice of loan programs and access to more affordable financing options.
- Q. How do mortgage brokers benefit consumers?**

A. The brokerage industry plays a significant role in the mortgage lending process and the economy as a whole by increasing competition and driving down the actual cost of credit to the consumer.
- Q. If I am interested in purchasing a home, when is the best time to start shopping for a mortgage?**

A. It is best to meet with your mortgage broker professional prior to looking for a home. Your mortgage broker can offer a pre-approval defining your purchase limits and the type of mortgage loan that fits your individual needs.
- Q. What different "types of mortgages are available?**

A. A mortgage broker offers many different types of mortgages. The most common is a 30-year fixed rate mortgage. However, there are numerous other types such as Adjustable Rate Mortgage (ARMs), FHA, VA and even balloon mortgages.

What is a Mortgage Broker?

According to a recent study by Wholesale Access Mortgage Research & Consulting, Inc., there are approximately 40,000 mortgage brokerage companies that employ an estimated 240,000 loan officers and originate more than 60% of all residential loans in the United States. Most mortgage brokers are small business owners employing less than twenty employees.

A mortgage broker is also an independent contractor who markets and originates loans offered by several wholesale lenders. By offering superior market expertise and direct access to many different loan programs, a mortgage broker provides the consumer with the most efficient and cost-effective method of obtaining a mortgage that fits their financial goals and circumstances.

Expectations

From your professional mortgage broker you can expect:

- Integrity and experience
- Knowledge of a wide variety of loan programs
- A valuable resource for consumer loan information
- Full disclosure of all loan features and costs
- Communication throughout the loan process

Things You Should Do...

- Receive a written "Good Faith Estimate" of all costs at your initial consultation.
- Ask for a copy of the "Mortgage Origination Agreement."
- Ask for the name and phone number of a contact person in case you have any future questions.
- Have all of your questions answered to your complete satisfaction.
- Request a periodic verbal or written loan progress report that's convenient with your schedule.

For Further Information, Contact:

Michigan Mortgage Brokers Association
734-975-4426, www.mmbaonline.com

Department of Housing and Urban Development (HUD)
East MI: 313-226-7900 West MI: 616-456-2100, www.hud.gov

Office of Financial and Insurance Services
517-373-3460, www.michigan.gov/ofis

Better Business Bureau
East MI: 248-644-9100 West MI: 616-774-8236, www.bbb.org

National Association of Mortgage Brokers
703-610-9009, www.namb.org

Attention Borrowers - Know Your Rights!

As this may be the largest and most important loan you obtain during your lifetime, you should be aware of certain rights before you enter into any loan agreement.

1. You have the RIGHT to shop for the best loan for you and compare the charges of different mortgage brokers and lenders.
2. You have the RIGHT to be informed about the total cost of your loan including the interest rate, points and other fees.
3. You have the RIGHT to obtain a "Good Faith Estimate" of all loan and settlement charges before you agree to the loan or pay any fees.
4. You have the RIGHT to know what fees are non-refundable if you decide to withdraw your loan application.
5. You have the RIGHT to know the functions your mortgage broker performs.
6. You have the RIGHT to know your mortgage broker's compensation obtained from you and the wholesale lender.
7. You have the RIGHT to ask questions about charges and loan terms that you do not understand.
8. You have the RIGHT to a credit decision that is not based on your race, color, religion, national origin, sex, marital status, age or whether any income is derived from public assistance.
9. You have the RIGHT to know the reason if your loan application is declined.
10. You have the RIGHT to receive the HUD settlement cost booklet "Buying Your Home."



What Every Consumer
Should Know About
Financing a Home!

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Prepared on your behalf by:

MBA **NAMB**